



State Board of Equalization

News Release

George Runner, Member

2nd District – Lancaster

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California's Taxable Sales Up 8.5% This Year

Report shows state ended 10-quarter slide in the first quarter of 2010

Senator George Runner, Second District Member of the California State Board of Equalization (BOE), today announced that new BOE data indicate a pronounced recovery in taxable sales.

Board of Equalization staff has developed an estimate of statewide taxable sales for the first quarter of 2011, based on cash receipts. Taxable sales are estimated to have risen 8.5 percent in the first quarter of 2011 over the same period a year earlier, the best showing since the 3rd quarter of 2005 (when taxable sales rose 10.1 percent). The estimated level of statewide taxable sales for the first quarter of 2011 is \$117.8 billion.

"These latest numbers are good news for California, but I wish they were even better," said Runner. "More than two million Californians need a job, yet our state's hostile business climate continues to repel job creators we so desperately need."

The BOE also released taxable sales numbers showing that California ended a 10-quarter slide in the first quarter of 2010. California taxable sales totaled \$108.6 billion in the first quarter of 2010, up \$1.4 billion (or 1.3 percent) from the first quarter of 2009. The last quarter of positive growth in year-over-year taxable sales was the second quarter of 2007, when such sales rose 0.9 percent.

The first quarter 2010 report shows regionally, the counties in the San Francisco Bay Area had the strongest growth, rising 2.6 percent (twice the statewide total), while those in Southern California rose 0.9 percent. Growth was generally weaker in the interior counties of the state; taxable sales in the San Joaquin Valley declined 0.5 percent (the only region to experience a decrease).

First quarter 2010 taxable sales in the greater Sacramento area rose 0.9 percent, slightly lower than the statewide increase of 1.3 percent. The Second Equalization District's largest cities continued to post declines, with the city of Sacramento declining 2.3 percent, and the city of Fresno down 1.8 percent.

Taxable sales increased in many of the counties in the Second Equalization District in the first quarter of 2010, on a year-over-year basis, including the following California counties: Shasta (+23.8%), Alpine (+21.1%), Mono (+10.1%), Mariposa (+5.5%), Tulare (+3.4%), Modoc (+3.3%), Placer (+3.3%), Merced (+2.8%), Calaveras (+2.6%), Sutter (+2.3%), Inyo (+1.6%), San Bernardino (+0.9%), Sacramento (+0.8%), Nevada (+0.7%), Stanislaus (+0.7%), San Joaquin (+0.6%), Madera (+0.6%), Los Angeles (+0.4%), Ventura (+2.0%), Butte (+2.9%), Santa Barbara (+1.5%), and El Dorado (+0.1%),

Conversely, taxable sales in the first quarter of 2010 declined in some counties in the Second Equalization District, including the following California counties: Amador (-13.4%), Tuolumne (-7.5%), Sierra (-6.1%), Kings (-5.2%), Kern (-3.3%), Lassen (-2.7%), Tehama (-2.3%), Plumas (-2.3%), Yuba (-2.2%), Siskiyou (-1.2%), Fresno (-0.7%), and Glenn (-0.3%).

The Board of Equalization has now completed its process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes, and the first quarter of 2010 is the first time that year-over-year percentage changes are available by industry.

Gasoline station sales in first quarter of 2010 increased over 30 percent, the largest gain of any major category. Taxable sales made by gasoline stations were \$10.3 billion. The average price of gasoline at the pump increased 40 percent during the first quarter of 2010, which lifted total taxable sales made by service stations. Gallons of gasoline purchased in the first quarter of 2010 actually decreased slightly, dropping 1.0 percent from the first quarter of 2009.

Clothing and clothing accessory stores had the next largest increase, 7.9 percent in the first quarter of 2010, followed by general merchandise stores (which rose 4.5 percent). Taxable sales at general merchandise stores represent the largest nondurable retail category, and totaled \$10.2 billion in the first quarter of 2010.

First quarter 2010 taxable sales by motor vehicle and parts dealers were essentially flat, rising 0.7 percent. Within this category, taxable sales of used car dealers rose 10.4 percent, while those of new car dealers were much more muted, rising only 0.4 percent in the first quarter of 2010.

First quarter 2010 taxable sales made by building materials dealers and gardeners slipped 0.1 percent, while those of furniture and home furnishing stores declined by 0.5 percent. Electronics and appliance stores saw taxable sales in the first quarter of 2010 decline by 5.5 percent.

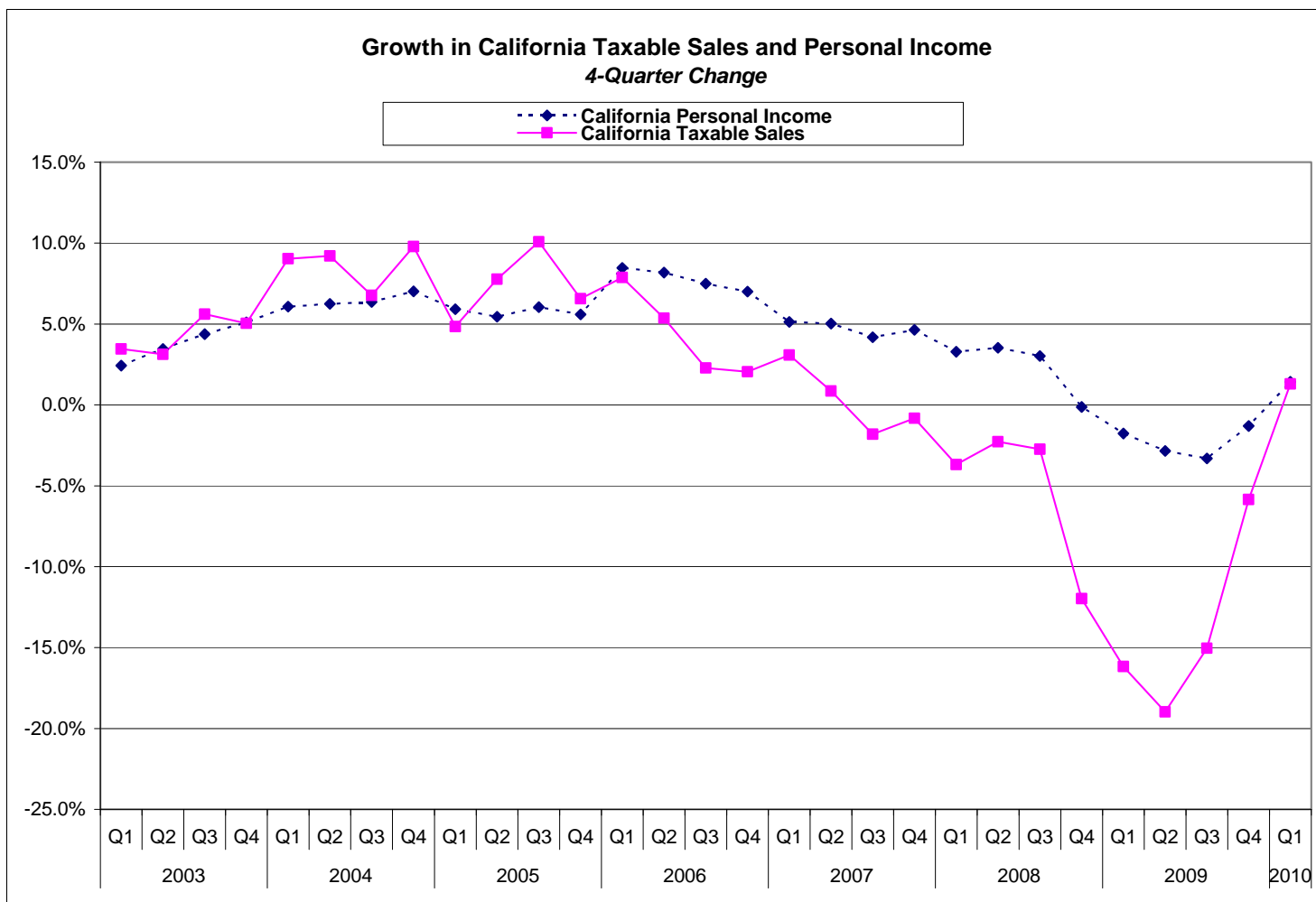
Sales from “all other outlets” (comprised primarily of manufacturing and wholesale businesses) in the first quarter of 2010 were down 4.8 percent, to \$33.6 billion.

Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties.

To view all taxable sales in California, visit: www.boe.ca.gov/news/tsalescont.htm.

To view the first quarter of 2010 taxable sales in California, visit: www.boe.ca.gov/news/tsalescont10.htm.

Editor’s Note: The chart below compares Growth in California Taxable Sales and Personal Income.]



Elected in November 2010, taxpayer advocate George Runner represents the Second District of the Board of Equalization. Runner was sworn in as Second District Board Member on January 3, 2011. Prior to his election to the Board, Runner served twelve years in the State Legislature. As a thoughtful conservative, his legislative priorities included improving the economy, business growth, education excellence, and public safety for all Californians. As a member of the Senate Revenue and Taxation Committee, Runner consistently led the fight against tax increases and supported tax relief for families and businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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